Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, March 21, 2007
Council Chambers
Hamilton City Hall
71 Main Street West, Hamilton

Present:
Chair C. Collins
Vice-Chair M. Pearson
Councillors B. Bratina, B. Clark, B. Morelli, R. Powers, T. Whitehead

Also Present:
G. Peace, City Manager
J. Rinaldo, General Manager, Finance and Corporate
C. Graham, General Manager, Human Resources
L. Coveyduck, General Manager, Planning
J. Priel, General Manager, Community Services
A. Pekaruk, Internal Auditor
P. Barkweill, Legal
K. Christenson, R. Male, Finance and Corporate Services
T. McCabe, Planning & Economic Development
B. Goodger, Public Works
I. Sturgeon, City Clerk’s

THE FOLLOWING ITEMS WERE REPORTED TO CITY COUNCIL FOR CONSIDERATION:

1. Advisory Committee for Persons with Disabilities Minutes of their meeting held on January 16, 2007 (Item 5.1)

(Pearson/Clark)
That the Minutes of the Advisory Committee for Persons with Disabilities Meeting of January 16, 2007 be received for information.

CARRIED
2. **Advisory Committee for Persons with Disabilities Minutes of their meeting held on February 6, 2007 (Item 5.2)**

(Pearson/Clark)
That the Minutes of the Advisory Committee for Persons with Disabilities Meeting of February 6, 2007 be received for information.

CARRIED

3. **GLBT Advisory Committee of the meeting held on January 10, 2007 (Item 5.3)**

(Pearson/Clark)
That the Minutes of the GLBT Advisory Committee Meeting of January 10, 2007 be received for information.

CARRIED


(Pearson/Clark)

CARRIED

5. **Cost Sharing of Proposed Interchange at King's Highway Nos. 5 and 6 (FCS07037) (City Wide) (Item 7.1)**

(Powers/Clark)
That the following principles for negotiations between the City of Hamilton, Ministry of Transportation and Flamborough Power Centre Incorporated be endorsed by Council and that staff continue negotiations based upon the following principles:

a) That the City cost-share in the amount of twenty-five (25%) percent with the Ministry of Transportation, whose share would be seventy-five (75%) percent;

b) That the City would contribute and pay to the Ministry, twenty-five (25%) percent of the construction cost to a maximum of $7,500,000 of the Interchange;

c) That, based on proposed land acquisitions by the Ministry, the budgeted land cost component is in the range of $30,500,000 in total (2006 dollars) and the City’s twenty-five (25%) percent share will be approximately $7,625,000;
d) That the City’s total twenty-five (25%) percent contribution to this project is projected to be within the original estimate range of $16,190,000 (2006 dollars);

e) That the City’s 25% share be funded from Development Charges with no impact on the existing taxpayer;

f) That the Developer be required to make a one-time capital contribution of $2 million, with payment due prior to construction of the interchange; and

g) That the final agreements with the Ministry of Transportation and Flamborough Power Centre Inc., be submitted to Council for approval.

CARRIED

6. Audit Report 2006-04 – Homes for the Aged – Resident Fees and Trust Funds (CM07008) (City Wide) (Item 8.1)

(Morelli/Clark)
(a) That Report CM07008 respecting Audit Report 2006-04, Homes for the Aged – Resident Fees and Trust Funds, be received; and

(b) That the management actions plans as detailed in Appendix “A” of Report CM07008 be approved and the General Manager of Community Services or the General Manager of Finance and Corporate Services direct the appropriate staff to have the corresponding plans under their authority implemented.

CARRIED

7. Audit Report 2006-05 – Business Travel, Training and Related Expenses (CM07009) (City Wide) (Item 8.2)

(Powers/Whitehead)
(a) That Report CM07009 respecting Audit Report 2006-05, Business Travel, Training and Related Expenses, be received; and

(b) That the management actions plans as detailed in Appendix “A” of Report CM07009 be approved and the General Manager of Finance and Corporate Services direct the appropriate staff to have the plans implemented.

CARRIED

(Powers/Morelli)

That Report CM07013 respecting the follow up of Audit Report 2005-09, Procurement Card Review, be received.

CARRIED

9. Follow Up of Audit Report 2005-05 – Grants to Outside Bodies (CM07012) (City Wide) (Item 8.4)

(Clark/Powers)

That Report CM07012 respecting the follow up of Audit Report 2005-05, Grants to Outside Bodies, be received.

CARRIED

10. Reporting Process for Internal Audit Reports (CM07014) (City Wide) (Item 8.5)

(Morelli/Pearson)

That the Reporting Process for Internal Audit Reports attached as Appendix “A” to Report CM07014, be approved.

CARRIED

11. 2007 Internal Audit Work Plan (CM07010) (City Wide) (Item 8.6)

(Clark/Pearson)

That Appendix “A” attached to Report CM07010, respecting the 2007 Internal Audit Work Plan, be approved.

CARRIED

12. City Workforce Diversity Initiatives – Update (HUR07002) (City Wide) (Item 8.7)

(Morelli/Pearson)

That Information Report HUR07002 respecting City Workforce Diversity Initiatives be received.

CARRIED

13. Tax Write-offs and Appeals processed under Sections 354 and 358 of the Municipal Act, 2001 (FCS07035) (City Wide) (Item 8.8)

(Powers/Morelli)

That taxes deemed to be uncollectible and tax appeals, due to gross or manifest clerical errors, pursuant to Sections 354 and 358 of the Municipal Act, 2001, be approved (refer to Appendices “A” and “B” to report FCS07035).
14. HSR (Hamilton Street Railway) Pension Plan – January 1, 2006 Valuation (FCS07032) (City Wide) (Item 8.9)

(Powers/Clark)

a) That the January 1, 2006 actuarial valuation for the Hamilton Street Railway Plan (1994) per Appendix 'A' to report FCS07032 be received for information; and

b) That the Treasurer be authorized to file the January 1, 2006, actuarial valuation with the Financial Services Commission of Ontario (FSCO) and Canada Revenue Agency (CRA).

CARRIED

15. Proposed Residential Water Rebate Program for Soot Fall-Out Affected Residents (FCS07029) (Ward 4) (Item 8.11)

(Clarck/Powers)

(a) That report FCS07029 “Proposed Residential Water Rebate Program for Soot Fall-Out Affected Residents” be received for information; and

(b) That Outstanding Item K referred from the City Council Meeting of September 13, 2006, be removed from the Outstanding Business List.

CARRIED

16. Report of the 2006 Remuneration and Expenses as Required under Section 284 of the Municipal Act (FCS07031) (City Wide) (Item 8.12)

(Powers/Clark)

That Information Report FCS07031, respecting the 2006 Remuneration and Expenses, be received.

CARRIED

17. Grants Sub-Committee Report 07-001 of the meeting held on March 7, 2007 (Item 8.13)

(Powers/Morelli)

(a) Fee Waiver Request for West Mountain Baseball Association to Utilize Sir Allan MacNab Recreation Centre’s Craft Room (GRA07001(a)) (Ward 8) (Item 4.1)

That the fee waiver in the amount of $834.00 be approved for West Mountain Baseball Association for the period of January to December of 2007, to utilize the Craft Room at Sir Allan MacNab Recreation Centre for their executive meetings and fundraising committee meetings for a total of two occasions per month for one year.
(b) **Fee Waiver Request for Flamborough Minor Hockey Association (GRA07001(b)) (Ward 15) (Item 4.2)**

That the fee waiver in the amount of $675.67 be approved for Flamborough Minor Hockey Association to utilize the community room at the Carlisle Community Centre to conduct their annual Coaching and Trainer Clinics, for the period of September 20 to November 30, 2006 for a total of nine occasions.

(c) **Fee Waiver Request - Phoenix Place (GRA07003(c)) (Ward 2) (Item 4.3)**

That the fee waiver in the amount of $639.00 be approved for Phoenix Place to utilize the indoor pools at Bennetto and Central Memorial Recreation Centres once every two weeks for a total of nine occasions for the period of March to June, 2007.

(d) **Fee Waiver Request - Puglieses Association (GRA07001(d)) (City Wide) (Item 4.4)**

That the fee waiver in the amount of $866.25 be approved for the Pugliese Association to utilize facility space for the period of January to December 2007 at the Chedoke Twin Pad Arena, Fish Bowl Room, one occasion per month, three hours per occasion 10 months of the year, and four hours per occasion two months of the year.

(e) **Fee Waiver Request for Cancer Assistance Program (CAP) (GRA07001(e)) (Ward 7) (Item 4.5)**

That the fee waiver in the amount of $825.00 be approved for the Cancer Assistance Program (CAP) for the period of January 2007 to December 2007, excluding August 2007. The user group has requested the use of the Board Room at Sackville Hill Seniors Centre.

(f) **Fee Waiver Request - Hamilton Council Against Abuse of Older Persons (GRA07001(f)) (City Wide) (Item 4.6)**

That the fee waiver in the amount of $720.00 be approved for the Hamilton Council Against Abuse of Older Persons (CAAOP) for the period of January to June, and September to November, 2007, to utilize the Meeting Room at Sackville Hill Seniors Centre, one occasion per month, two hours per occasion, nine months of the year.
(g) **Fee Waiver Request for The Hamilton Scleroderma Support Group (City Wide) (GRA07001(g)) (Item 4.7)**

That the fee waiver in the amount of $630.00 be approved for the Hamilton Scleroderma Support Group for the period of January to June and September to November 2007, to utilize the Meeting Room at Sackville Hill Seniors Centre, one occasion per month, two hours per occasion for a total of nine (9) months of the year.

(h) **Fee Waiver Request for Participation House (Hamilton & District) (City Wide) (GRA07001(h)) (Item 4.8)**

That the fee waiver in the amount of $1,000.00 be approved for Participation House (Hamilton & District) to conduct their Development and Community Relations Committee meetings in the Meeting Room at Sackville Hill Seniors Centre, for the period of January June and September to December, 2007, one occasion per month, two and a half hours per occasion, 10 months of the year.

(i) **Revised Grant Categories & Priorities – Social & Community Services Only – Community Partnership Program (GRA07002) (City Wide) (Item 4.9)**

(i) That the revised grant categories (Social & Community Services stream) and priority ranking, attached as Appendix A to Report 07-001, be approved.

(ii) That the priority of the Category listing (Social & Community Services stream) be reviewed at the end of 2007 and on a bi-annual basis thereafter.

(j) **One-Time Funding Request - Good Shepherd Centre (Second Stage Services Program) (GRA07003) (City Wide) (Item 4.10)**

That a one-time grant in the amount of $9,750 be approved for the Good Shepherd Centre (Second Stage Services) funded from the 2006 Community Partnership Program.
(k) Request for Advance Community Partnership Program Payments (GRA07004) (City Wide) (Item 4.11)

(i) That commencing January 2007, staff be authorized to provide advance monthly payments, until approval of the 2007 Community Partnership Program, to 2007 Community Partnership Program applicants as per Table One, attached as Appendix B to Report 07-001, “Request for Advance Community Partnership Program Payments”, based upon 2007 funding levels.

(ii) That any outstanding arrears due to the City of Hamilton, by any of the grant organizations listed in Table One, attached as Appendix B to Report 07-001, “Request for Advance Community Partnership Program Payments”, be paid with approved advance funding until the debt is satisfied, at which point, the group will receive payment.

(l) Referred from Council – Golden Horseshoe Marathon 2006 (Item 4.12)

That the request, made by the Golden Horseshoe Marathon 2006, for relief of their past due payment of $192.11 for partial road use, be denied.

(m) 2006 Community Partnership Program – 2006 Actuals – Unaudited (Item 7.3)

That the $49,183 of general surplus, from the 2006 Community Partnership Program, be placed in a reserve fund to be used for upcoming grants for the 2006 to 2010 term of Council.

CARRIED

18. Hamilton Beach Rescue

(Pearson/Powers)
That staff release the 2006 Capital Funding approved to Hamilton Beach Rescue for their ongoing construction project.

CARRIED


(Pearson/Powers)
That the delegations put forward by Tom Kemp, Kemp Construction (Item 6.1) and Vito Scalisi, Varcon Construction (Item 6.2) be received and no further action be taken.

CARRIED
FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA (Item 1)

The Clerk noted three changes to the agenda;

(i) Request by Mr. Tom Kemp to speak to Committee this morning regarding Tender Price Review Contract # C11-142-06 (Item 4.2)

(ii) Request by Mr. Angelo Riccio to address Committee this morning regarding Tender Price Review Contract # C11-142-06 (Added Item 4.3)

(iii) Request by Donna Lee McDonald to be added to the speakers list respecting Item 8.10, Hamilton Artists Inc. Funding report.

Committee approved the agenda as amended.

(b) DECLARATIONS OF INTEREST (Item 2)

None

(c) APPROVAL OF MINUTES (Item 3)

The Minutes of the February 21, 2007 meeting of the Audit and Administration Committee were approved as presented.

(d) DELEGATION REQUEST (Item 4.1)

On a motion, the request from Clara Berardocco, to address the Committee respecting water arrears at 239 West 5th Street, Hamilton, was approved.

(e) PUBLIC HEARINGS/DELEGATIONS (Item 6)

(i) Mr. Tom Kemp, James Kemp Construction
Re: Renovation to Materials Recycling Facility – Tender Price Review Contract # C11-142-06 (Item 6.1)

Tom Kemp, Kemp Construction appeared before Committee to express concern regarding the recent tender for the Renovations to the Materials Recycling Facility. Mr. Kemp explained that Kemp Construction was the low bidder on the base tender and only when you add in the optional pricing do they become the high bidder.
Mr. Kemp submitted written documentation to the members of Committee outlining all their concerns, copies of tender documentation and community references regarding their firm. Mr. Kemp asked the Committee to award the project tender to Kemp Construction as they believe it is the right thing to do and in the best interest of the City.

(ii) Mr. Angelo Riccio, Varcon Construction
Re: Renovation to Materials Recycling Facility – Tender Price Review
Contract # C11-142-06 (Item 6.2)

Mr. Vito Scalisi, Legal Counsel for Varcon Construction, gave a brief overview of the process regarding this tender and how both bidders were asked to provide additional clarification. He stated that the City is entitled to ask for more clarification in order to help them make their decision. He suggested that a process was in place and it should be followed by everyone. Mr. Scalisi concluded his presentation by stating that if staff have determined that Varcon Construction is the lowest bidder, then they should be awarded the contract.

On a motion, Committee received both presentations.

Rick Male provided an overview of the process and explained how the base and optional pricing was determined. He also reviewed the specific stipulations that had been included in the tender document.

Beth Goodger explained that the Public Works Department staff were currently undertaking a review of the entire recycling process and therefore requested many options and scenarios in the tender package as they did not want to limit the City with any pre-determinations at this time.

Committee discussed the matter in further detail and asked that a legal opinion be provided in closed session at the end of the meeting.

(f) PRESENTATIONS (Item 7)

Joe Rinaldo provided members of Committee with an update regarding the Hwy #5 and #6 Interchange project. A copy of Mr. Rinaldo’s PowerPoint presentation was provided to members of Committee.

Committee concurred with the importance of moving ahead with this project and thanked all the staff involved for their efforts.

Committee approved the staff recommendation as presented.
(g) DISCUSSION REPORTS (Item 8)

(i) 2007 Internal Audit Work Plan (Item 8.6)

Councillor Whitehead requested that consideration be given in future in conducting an audit on H.S.R., Darts, ATS and the Provincial Gas Tax funding.

Councillor Collins received confirmation that there were approximately 8 – 10 man weeks available in 2007 to conduct additional audits.

On a motion moved by Councillor Morrelli and seconded by Councillor Clark, staff were requested to report back in Q3 regarding the feasibility of including an audit of the Management of Long-Term Contracts (Item 1 of Appendix B) in 2007 and/or the early part of 2008.

(ii) HSR (Hamilton Street Railway) Pension Plan – January 1, 2006 Valuation (FCS07032) (City Wide) (Item 8.9)

Councillor Powers asked staff to confirm who sits on the Pension Advisory Group at H.S.R.

(iii) Hamilton Artists Inc. Funding – Advance Request - $27,500 (FCS07034) (City Wide) (Item 8.10)

Donna Lee McDonald provided a hand-out to members of Committee outlining the background regarding their Future Fund Grant request and updated Committee regarding the status of the four conditions that Council had placed on the grant. Ms. McDonald then advised Committee that in the short term, a building in the downtown core has come on the market and that they had put in a conditional offer on the building. She explained that the conditional offer was in place until March 29, 2007. Ms. McDonald asked members of Committee to consider releasing the Future Fund Grant money at this time so that they could purchase the building.

A lengthy discussion ensued and members of Committee raised the following questions and/or concerns:

- That no Feasibility Study had been undertaken as yet
- That the 4 City conditions have not yet been satisfied for release of the full grant
- Question was raised regarding all the financial details of the proposed property, was this investment secure, were there any liens or outstanding mortgages on the property?
Committee questioned whether or not real estate staff have reviewed and/or inspected the property, had the property been assessed, had an environmental assessment been undertaken, had the City’s legal department reviewed any of the documentation?

How much money was needed to renovate the building?

Although members of Committee agreed with the concept of this building project, they voiced their displeasure of not receiving any information or notice about this request prior to the meeting and the lack of any detailed financial and structural information from the applicant.

(Powers/Pearson)

(a) That the Committee receive the presentation by Donna Lee McDonald, Hamilton Artists Inc.,

(b) That this matter be referred to the Committee of the Whole meeting scheduled on March 26, 2007, for further discussion.

(c) That Item M be removed from the Audit and Administration Committee’s Outstanding Business List

(iv) Report of the 2006 Remuneration and Expenses as Required under Section 284 of the Municipal Act (FCS07031) (City Wide) (Item 8.12)

Councillor Bratina raised a concern with the expense amount recorded in 2006. He explained that $565.00 had been paid out to him in error and he had returned the money to the City and therefore felt the amount should be shown at zero.

Joe Rinaldo advised that he would look into the matter prior to Council next week.

(h) MOTIONS (Item 9)

(i) Inter City Allowance

(Pearson/Morelli)

That $1,830.00 of Inner City Allowance be reallocated from Wards 2, 3 and 5 to Ward 4 for 2006.

That the $45,000.00 Inner City Allowance for wards 2, 3, 4 and 5 approved by Council on February 25, 2004 by adopting Item 7 (d) of Corporate Administration Committee Report 04-005, be allocated equally to these ward Budgets in 2007.
(Pearson/Morelli)
That this motion be tabled to the March 28, 2007 Council meeting.
CARRIED

(ii) Hamilton Beach Rescue

Councillor Pearson introduced a motion regarding the Hamilton Beach Rescue 2006 Capital Funding.

Committee approved the motion which appears as recommendation 18 of the report.

(i) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

11.1 Outstanding Business Items:

(a) Outstanding Business Item A:
Access to Information – Application of Solicitor – Client Privilege to Lawyers’ Bills of Account
New Due Date: June 19, 2007

(b) Outstanding Business Item C:
Civil Litigation Trial Costs
New Due Date: December 5, 2007

(c) Outstanding Business Item E:
Connect Hamilton Create Community (CHCC) Project – myhamilton.ca Community Portal Management
New Due Date: May 23, 2007

(d) Outstanding Business Item G(1):
Ombudsman of Ontario – MPAC Review
Note: MPAC will be in attendance at the March 26, 2007 COW meeting. Re-address this item following the meeting.

(e) Outstanding Business Item G(2):
Update on Province Wide Assessment for 2006 and 2007 (MPAC)
Note: MPAC will be in attendance at the March 26, 2007 COW meeting. Re-address this item following the meeting.

(f) Outstanding Business Item H:
Hamilton Fire-Fighters Drum Corps Loan
New Due Date: June 19, 2007

(g) Outstanding Business Item I (1):
City Hall Print Shop
Remove off the Outstanding Business List
(h) Outstanding Business Item I (2)  
    City Hall Print Shop - **New Due Date: September 18, 2007**

(i) Outstanding Business Item J - Elected Officials Remuneration  
    **Scheduled for the April 10/07 COW Meeting. Re-address this item following the meeting.**

On a motion, the Outstanding Business List of the Audit and Administration Committee was amended accordingly.

(j) **PERSONAL & CONFIDENTIAL**


    On a motion, the Committee moved into Closed Session in order to receive a legal opinion regarding the above noted contract.

    On a motion, the Committee reconvened in Open Session.

    See Item 19 for recommendation resulting from Closed Session.

(k) **ADJOURNMENT**

    On a motion, the Audit and Administration Committee adjourned at 12:34 p.m.

Respectfully submitted,

Councillor C. Collins  
Chair  
Audit and Administration Committee

Irene Sturgeon  
Legislative Assistant  
March 21, 2007